

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1999-468-C - ORDER NO. 2000-0260

MARCH 15, 2000

IN RE: Application of Qwest Communications)	ORDER
Corporation For A Certificate of Public)	GRANTING
Convenience and Necessity To Provide)	CERTIFICATE
Competitive Local Exchange)	
Telecommunications Services Within the)	
State of South Carolina and For Flexible)	
Regulation of Its Local Exchange)	
Telecommunications Services)	

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This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Qwest Communications Corporation ("Qwest" or the "Company") for authority to provide local telecommunications services within the State of South Carolina and also for flexible regulation of its local exchange telecommunications services in accordance with the principles and procedures established in Order No. 98-165 in Docket No. 97-467-C. The Application was filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 1999) and the Regulations of the Public Service Commission of South Carolina.

By letter, the Commission's Executive Director instructed Qwest to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Qwest's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. On January 12, 2000, a Petition to Intervene was filed by

the South Carolina Telephone Coalition (SCTC). Counsel for SCTC filed with the Commission a Stipulation in which Qwest stipulated that it would not provide any local service to any customer located in a rural incumbent's service area unless and until Qwest provided written notice of its intent prior to the date of the intended service. Qwest also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Qwest agrees to abide by all State and Federal laws and to participate, to the extent that it may be required to do so by the Commission, in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to Qwest provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

On February 25, 2000, Qwest filed a Motion for Expedited Review of its Application. By its Motion, Qwest requested that the Commission grant expedited review of its application and waive the requirement of a formal hearing on the application. In support of its Motion, Qwest offered that it had published the Notice of Filing, and that Qwest and the South Carolina Telephone Coalition agreed to a stipulation and as a result the South Carolina Telephone Coalition withdrew its opposition in this proceeding. The Commission previously granted Qwest a Certificate of Public Convenience and Necessity to provide long distance telecommunications services in South Carolina in Docket No. 94-718-C, Order No. 1995-961, dated April 20, 1995, and Order No. 95-1761, dated December 28, 1995. Qwest further stated that it waives its right to a formal hearing on the application and stated that the Commission has discretion

under S.C. Code Ann. § 58-9-280(B)(Supp. 1999) to consider the application without a hearing. In support of the Motion and for consideration of the application, Qwest filed the verified testimony of Ms. Carol Kuhnnow, Director of the Government Affairs Group of Qwest Communications Corporation.

The Commission in its regularly scheduled Commission Meeting on February 29, 2000, considered Qwest Communications Corporation's Motion For Expedited Review. The Commission recognizes Qwest is presently certified to operate as a reseller of interexchange services having been granted that authority by Order No. 95-961, dated April 20, 1995, and Order No. 95-1761, dated December 28, 1995. As no opposition to Qwest's Motion For Expedited Review was received, the Commission will grant Qwest's Motion For Expedited Review and consider Qwest's Application in the Commission Meeting with court reporter present. The Commission's discussion and deliberation in the presence of a court reporter and with verified testimony of the witness will be deemed a hearing for the purposes of consideration of the Application.

S.C. Code Ann. §58-9-280(B) (Supp. 1999) provides that the Commission may grant a certificate to operate as a telephone utility...to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.... Ms. Kuhnnow's testimony reveals Qwest wishes to provide local exchange communications services in the State of South Carolina. Qwest is a wholly-owned subsidiary of Qwest Communications International, Inc., a Delaware corporation with its principle office and place of business located in Denver, Colorado. More specifically, Qwest seeks authority to provide a variety of dedicated and switched local services, including "Plain Old

Telephone Service”, Switched Access Service, Special Access Service, Data Transmission Services, and PBX Trunking.

The testimony also reveals Qwest has the managerial, technical, and financial ability to provide telecommunications services in South Carolina. Ms. Kuhnow testified that the Company has a highly qualified team of management personnel, all of whom have extensive backgrounds in telecommunications industry. The record reveals some of the officers of Qwest Communications International include the following persons:

Afshin Mohebbi (President and Chief Operating Officer), Scott Baxter (Executive Vice President and Chief Strategy Officer Strategic Planning), David R. Boast (Executive Vice President-Planning, Engineering, Network, and Operations), Gregory M. Casey (Senior Vice President, Wholesale Markets), Stephen M. Jacobsen (Executive Vice President, Business Markets), Brij Khandelwal (Executive Vice President and Chief Information Officer), Thomas J. Matthews (Executive Vice President, Human Resources), Michael P. Tarpey (Senior Vice President, Communications), and John C. Taylor (Senior Vice President, Consumer Markets).

Regarding the Company’s technical ability to provide telecommunications services in South Carolina, in addition to providing telecommunications services in South Carolina, Qwest also constructs and installs fiber optic communications systems for other communications companies. Furthermore, Qwest has completed the Qwest Macro Capacity Fiber Network, a fiber optic network that employs a SONET ring architecture covering in excess of 16,285 domestic route miles and that connects more than 125 cities. Qwest will have access to the capital of its parent corporation Qwest Communications

International, Inc. to provide telecommunications services in South Carolina. The record reveals that as of December 31, 1998, Qwest Communications International, Incorporated's total current assets were \$1,439,100 and its total current liabilities were \$1,237,500. Finally, the testimony reveals that as of the date of the filing of the Motion For Expedited Review, Qwest had not yet reached an interconnection agreement with BellSouth; therefore final rates for the Company's South Carolina services were still being developed. Finally, Ms. Kuhnow testified Qwest will comply and participate in support of universally available telephone service at affordable rates and the public interest will be served by this Commission's approval of Qwest's application.

After full consideration of the applicable law, the Company's Motion for Expedited Review, the Company's Application, and the verified testimony of Ms. Kuhnow, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Qwest is organized as a corporation under the laws of the State of Delaware and has received a certificate from the Secretary of State of South Carolina to transact business within South Carolina as a foreign corporation.

2. The Commission finds Qwest has the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. §58-9-280(B)(1)(Supp. 1999)

3. The Commission finds Qwest will provide the services which will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2)(Supp. 1999)

4. The Commission finds Qwest's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3)(Supp. 1999)

5. The Commission finds Qwest will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4)(Supp. 1999)

6. The Commission finds that the provision of local exchange service by Qwest "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280 (B)(5)(Supp. 1999)

CONCLUSIONS OF LAW

1. The Application of Qwest for a Certificate of Public Convenience and Necessity to provide competitive intrastate local exchange services in the non-rural local exchange service areas of South Carolina is approved. Qwest is hereby authorized to provide competitive local exchange services in non-rural areas in South Carolina. The terms of the Stipulation between Qwest and SCTC are approved, and adopted as a portion of this Order. Any proposal to provide such service to rural service areas is subject to the terms of the Stipulation.

2. Qwest shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. Any proposed change in the rates reflected in the tariff for local services which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking

proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. Section 58-9-540 (Supp. 1999).

3. Qwest shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, and tests and repairs. In addition, Qwest shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Qwest shall file with the Commission the names, addresses, and telephone numbers of those representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, Qwest shall promptly notify the Commission in writing if the representatives are replaced.

4. Qwest shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Qwest to contact the appropriate

authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association (“SC NENA”) with contact information and sample forms. The Company may also obtain information by contacting E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Qwest shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company’s operations as required by the 911 system.

6. Qwest’s local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C.

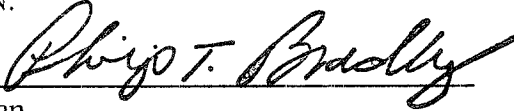
7. By its Application, Qwest requested a waiver from the Uniform System of Accounts. The Commission grants this waiver and grants Qwest authority to utilize the Generally Accepted Accounting Procedures (“GAAP”) to maintain its financial records. However, Qwest is directed to comply with all other Commission regulations unless expressly waived by the Commission.

MARCH 15, 2000

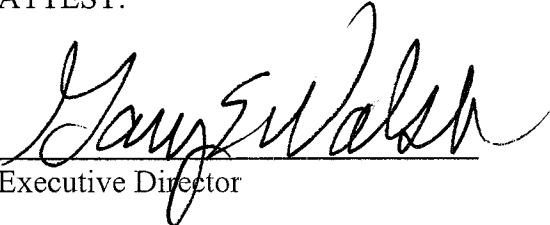
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8. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 1999-468-C

Re: Application of Qwest Communications Corporation)
for a Certificate of Public Convenience and Necessity)
to Provide Local Telecommunications Services)
in the State of South Carolina)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Qwest Communications Corporation ("Qwest") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Qwest's Application. SCTC and Qwest stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Qwest, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Qwest stipulates and agrees that any Certificate which may be granted will authorize Qwest to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Qwest stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Qwest stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Qwest provides such rural incumbent LEC and the Commission with written notice of its

intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Qwest acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Qwest stipulates and agrees that if Qwest gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then Qwest will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Qwest acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

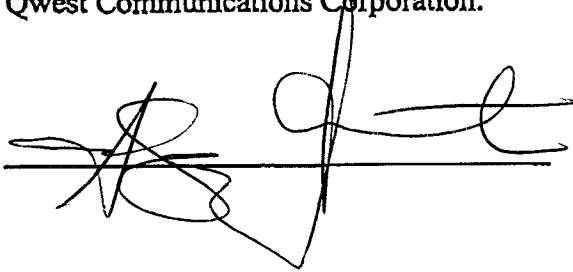
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Qwest agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.


9. Qwest hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 15 day of February, 2000.

Qwest Communications Corporation:

A handwritten signature in black ink, appearing to be "M. John Bowen, Jr.", written over a horizontal line.

South Carolina Telephone Coalition:

A handwritten signature in black ink, appearing to be "Margaret M. Fox", written over a horizontal line.

M. John Bowen, Jr.
Margaret M. Fox
McNAIR LAW FIRM, P.A.
Post Office Box 11390
(803) 799-9800

Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Bluffton Telephone Company, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Hargray Telephone Company, Inc.
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

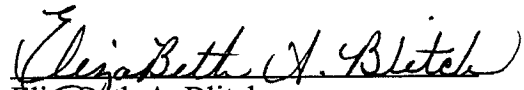
Docket No. 1999-468-C

Re: Application of Qwest Communications Corporation)
for a Certificate of Public Convenience and Necessity)
to Provide Local Telecommunications Services)
in the State of South Carolina)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blich, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Robert D. Coble, Esquire
Nexsen Pruet Jacobs & Pollard, LLP
Post Office Drawer 2426
Columbia, South Carolina 29202.


ElizaBeth A. Blich
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

February 22, 2000

Columbia, South Carolina

AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

Company Name (Including dba Name(s) or Acronyms used or to be used in South Carolina)

Business Address

City, State, Zip Code

A.

General Manager Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

B.

Customer Relations (Complaints) Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

C.

Engineering Operations Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

D.

Test and Repair Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

E.

Contact for Emergencies During Non-Office Hours (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

F.

Financial Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

G.

Customer Contact Telephone Number for Company (Toll Free)

This form was completed by

Signature

**If you have any questions, contact the Consumer Services Department (803-896-5230)
or Utilities Department at (803-896-5105).**